



Investing in Our Future

There is only one candidate in this year's race for governor that has actually cut taxes for working families and small businesses – and that's Martin O'Malley.

Governor O'Malley made the tough decisions to close Bob Ehrlich's structural deficit while fighting to lower income taxes for Maryland families. Under Governor O'Malley's income tax restructuring plan, more than 85.8% of Maryland income tax payers are paying less income tax than they paid under the Ehrlich administration; and 45% of Maryland families are paying the same or less in combined income and sales tax.

Governor O'Malley also led the fight to expand the Earned Income Tax Credit for lower income families and increased the Personal Income Tax Exemption for all Marylanders earning up to \$100,000 (\$150,000 for joint filers). Under his leadership, the exemption increased from \$2,400 to \$3,200.

In stark contrast, Bob Ehrlich raised taxes and fees on every Maryland business and family, by a total of \$3.3 billion. Bob Ehrlich's tax increases included a property tax increase costing Maryland homeowners and small businesses \$690 million. Bob Ehrlich tripled corporate filing fees for every small business in our state, created the flush tax, and made it more expensive to register your car.

O'Malley-Brown: Delivering Results

A More Progressive Tax Rate

- Under Governor O'Malley's new income tax restructuring, more than 85.8% of Maryland income tax payers are paying less income tax they paid under the Ehrlich administration. Married couples with gross income to \$175,000 pay the same or less in income taxes. Singles with gross income to \$125,000 pay the same or less in income tax.
- Governor O'Malley lowered the tax rate for lower income Maryland families. Under Governor O'Malley, 45% of Maryland families are paying the same or less in combined income and sales tax.

Expanded the Maryland Earned Income Tax Credit

- Governor O'Malley led the fight to expand the Maryland Earned Income Tax Credit by 25% so more of our hard working families have the resources they need to weather this tough economy.
- For the 2008 tax year, 363,791 Maryland taxpayers received more than \$190 million in Earned Income Tax Credits.

Increased the Personal Income Tax Exemptions for All Marylanders

- Governor O'Malley fought to increase the Personal Income Tax Exemption for all Marylanders earning up to \$100,000 (\$150,000 for joint filers).
- Under his leadership, the exemption increased from \$2,400 to \$3,200.

Closed the State's \$1.7 Billion Deficit Left by Bob Ehrlich

- Governor O'Malley made the tough decisions to close the state's \$1.7 billion structural deficit left by Bob Ehrlich. Governor O'Malley finally passed slots legislation to provide funding for our public schools, raised the state's sales tax by one penny to keep Maryland competitive with surrounding states, and developed a long-term plan to fund higher education and transportation projects in our state.

Tax Credits for Our Small Businesses

- The Job Creation and Recovery Tax Credit signed into law this year by Governor O'Malley will give any business that hires an unemployed Marylander a tax credit of \$5,000.
- Governor O'Malley allocated \$20 million for the new jobs program to help small businesses expand.

A Comparison to Four Years Ago

- Over his four years in office, Bob Ehrlich increased taxes and fees by \$3.3 billion.
- Impacting every Maryland family and business, Bob Ehrlich increased the state portion of the property tax--the only increase in our state in 30 years.
- Bob Ehrlich raised corporate filing fees by \$188 million making it harder for entrepreneurs to start their own businesses.
- Bob Ehrlich's 31 flavors of tax and fee increases included a \$519 million increase in the car tax, \$300 million increase in tolls on Maryland highways, \$151 million flush tax and a 40% increase in college tuitions.
- Because of Bob Ehrlich's record spending, he left office with a \$1.7 billion deficit